

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

APPLICATION OF

NATIONAL COUNCIL ON COMPENSATION  
INSURANCE, INC.

CLERK'S OFFICE  
DOCUMENT CONTROL CENTER  
2021 AUG -4 P 2: 29  
CASE NO. INS-2021-00081

For revisions of advisory loss costs  
and assigned risk workers' compensation  
insurance rates

**HEARING EXAMINER'S RULING**

August 4, 2021

Pursuant to § 38.2-1912.1 of the Code of Virginia ("Code"), no prospective loss costs or supplementary rate information for workers' compensation insurance, as defined by § 38.2-119 of the Code, shall be applied or used in the Commonwealth of Virginia until it has been approved by the State Corporation Commission ("Commission"). Pursuant to § 38.2-2006 of the Code, no filing of rates for insurance written through the Virginia Workers' Compensation Insurance Plan may be used until it has been approved by the Commission.

The Commission's Final Order in Case No. INS-2020-00113<sup>1</sup> directed, among other things, that on or before June 1, 2021, the National Council on Compensation Insurance, Inc. ("NCCI"), the Commission's Bureau of Insurance ("Bureau"), the Office of the Attorney General's Division of Consumer Counsel, the Iron Workers Association, and the Washington Construction Employers Association (collectively, "Parties") recommend jointly to the Commission a procedural schedule for any 2021 proceeding to revise advisory loss costs and assigned risk workers' compensation insurance rates.

On June 1, 2021, NCCI, by counsel, filed a procedural schedule on behalf of the Parties.

On June 14, 2021, the Commission entered its *Docketing Order*<sup>2</sup> in this matter in which it docketed the case; adopted the procedural schedule filed by the Parties; scheduled an evidentiary hearing for October 20, 2021; and assigned the case to a Hearing Examiner to conduct all further proceedings on behalf of the Commission and file a final report.

On July 30, 2021, NCCI filed with the Commission on behalf of its members, comprising all the insurance companies licensed to write workers' compensation insurance in the Commonwealth of Virginia, advisory loss costs that NCCI's members may use, together with their own expenses and profit and contingency factors, in determining the members' rates for

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<sup>1</sup> *Application of National Council on Compensation Insurance, Inc., For revisions of advisory loss costs and assigned risk workers' compensation insurance rates*, Case No. INS-2020-00113, Doc. Con. Cen. No. 201230175, Final Order (Dec. 22, 2020).

<sup>2</sup> *Application of National Council on Compensation Insurance, Inc., For revisions of advisory loss costs and assigned risk workers' compensation insurance rates*, Case No. INS-2021-00081, Doc. Con. Cen. No. 210630069, Order Docketing Case (Jun. 14, 2021) ("*Docketing Order*").

policies written in the voluntary market and revised rates and rating values for assigned risk policies ("Application"). Together with its advisory loss costs and assigned risk rate filings, NCCI submitted testimony and exhibits on July 30, 2021, in support of its proposed advisory loss costs, assigned risk rates, and rating values. NCCI has proposed to make the requested changes for policies effective on and after April 1, 2022, on all new and renewal business.

Upon consideration of this matter, I find that notice of the Application and the procedural schedule should be provided. Accordingly,

**IT IS DIRECTED THAT:**

(1) The date for filing notices of participation in this case shall be August 31, 2021. Further, any person filing a notice of participation who also wishes to participate in the hearing as a respondent, shall file with the Clerk of the Commission on or before September 10, 2021, the testimony, and exhibits of each witness expecting to present direct testimony, in accordance with the procedures outlined in the *Docketing Order*.

(2) On or before October 12, 2021, any interested person may file with the Clerk of the Commission written comments on the Application in accordance with the procedures outlined in the *Docketing Order*.

(3) NCCI shall publish the following notice of hearing. Such notice shall be published in a newspaper of general circulation published in each of the following cities on one occasion, not later than the week beginning August 16, 2021: Richmond, Norfolk, Newport News, Roanoke, Winchester, Lynchburg, Danville, Bristol, Fredericksburg, and Alexandria. On or before the date of the hearing scheduled herein, proof of such publication shall be submitted to the Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

NOTICE OF PROPOSED CHANGES TO WORKERS'  
COMPENSATION INSURANCE RATES  
CASE NO. INS-2021-00081

The National Council on Compensation Insurance, Inc. ("NCCI"), on behalf of its member insurers, has applied to the State Corporation Commission ("SCC") for approval to change voluntary market advisory loss costs and assigned risk market rates and rating values for new and renewal workers' compensation insurance policies becoming effective on and after April 1, 2022.

NCCI proposes advisory loss costs that its members may use along with their own expenses and profit and contingency factors in establishing rates for policies written in the voluntary market. The proposal would change the overall average pure premium level for the voluntary market as follows:

Industrial classifications:	16.4 % decrease
"F" (Federal) classifications:	14.7 % decrease
Coal classification 1005:	2.0 % decrease
Coal classification 1016:	2.0 % decrease

NCCI proposes the following changes to the overall average rate level for the assigned risk market:

Industrial classifications:	15.1 % decrease
"F" (Federal) classifications:	13.4 % decrease
Coal classification 1005:	4.0 % decrease
Coal classification 1016:	3.0 % decrease

Information filed by NCCI in support of its proposals, including the exact assigned risk rates and advisory loss costs for individual classifications, which will vary by classification and may be higher or lower than the overall changes stated above, may be viewed at <http://www.scc.virginia.gov/case> under Case No. INS-2021-00081.

Interested persons are encouraged to review NCCI's filing and supporting documents for the details of these and other proposals. TAKE NOTICE that the SCC may approve advisory loss costs and assigned risk rates and rating values differently from those proposed by NCCI.

The SCC has instituted an investigation into the changes proposed by NCCI and has set a public hearing thereon in Case No. INS-2021-00081 in its courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, at 10 a.m. on October 20, 2021. Any interested person who desires to make a statement at the hearing on his/her own behalf should appear in the SCC's courtroom at 9:45 a.m. on October 20, 2021, and contact the SCC's Bailiff. **However, individuals interested in attending the hearing should also review the SCC's website to monitor whether the current COVID-19 pandemic conditions require that the hearing be held via webcast and not as a live proceeding.**

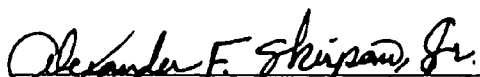
On or before August 31, 2021, any person or entity who expects to participate in this proceeding as a respondent shall file a notice of participation, in conformity with the SCC's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and the Order Docketing Case and Hearing Examiner's Ruling providing for notice in this case, which may be viewed at <http://www.scc.virginia.gov/case> or may be ordered from The Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Any notice of participation shall be filed with the Clerk of the SCC, and a

copy must be served on NCCI's counsel, Charles H. Tenser, Esquire, 2120 Galloway Terrace, Midlothian, Virginia 23113.

In accordance with the SCC's Order Docketing Case and Hearing Examiner's Ruling providing for notice, on or before September 10, 2021, each respondent shall also file with the Clerk of the SCC the testimony and exhibits by which the respondent expects to establish its case.

All interested persons who desire to comment on the application shall file such comments on or before October 12, 2021, with the Clerk of the SCC at the address above or may submit comments electronically by following the instructions at <http://www.scc.virginia.gov/case>. All comments shall refer to Case No. INS-2021-00081.

(4) The Bureau forthwith shall mail a copy of this Ruling to all persons listed in the Bureau's records as interested persons for purposes of workers' compensation matters, comprised of entities and individuals that have previously expressed an interest in recent NCCI rate proceedings.

  
Alexander F. Skirpan, Jr.  
Chief Hearing Examiner

The Clerk of the Commission is requested to send a copy of this Ruling to Charles H. Tenser, Esquire, 2120 Galloway Terrace, Midlothian, VA 23113; Fred H. Coddling, Esquire, Coddling Building, 10382 Main St, Ste 200, Fairfax, VA 22038; and C. Meade Browder, Jr., Senior Assistant Attorney General, and John E. Farmer, Jr., Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 North 9th Street, 8th Floor, Richmond, VA 23219-3424.